

Educational (190 *4*) Department.

ORDINARY PRINTED.

G.O., No. 3 4 3

DATED 6. 6. 04



ORIGINAL

[Despatch Abstract.]

University of Madras.

*Same subject to certain conditions the
proposal to raise the amount of the perma-
nent advance under the Reptor, —, from
Rs 300 to 5000.*

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

Government {1904} of Madras. EDUCATIONAL.

Recd.

Regd.

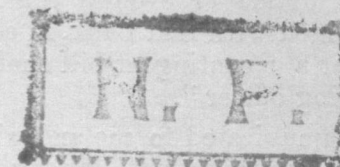
} 1904.

Enclosures

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ORIGINAL

G.O., No. 343, 6th June 1904.



JUNE.

University of Madras.

Sanctioning, subject to certain conditions, the proposal to raise the amount of the permanent advance with the Registrar, —, from Rs. 300 to Rs. 5,000.

GOVERNMENT OF MADRAS.

EDUCATIONAL DEPARTMENT.

READ—the following paper:—

From C. A. PATERSON, Esq., M.A., LL.B., Registrar, University of Madras, to the Secretary to Government, Educational Department, dated 14th April 1904, No. 1307.

I have the honour by direction to request the sanction of Government to the raising of my permanent advance from Rs. 300 to Rs. 5,000 under the circumstances stated below.

2. In paragraph 3 of his letter to you, dated the 20th March 1901, No. O.A. 12667, the Accountant-General took objection to the practice of obtaining funds in large instalments and depositing them in the National Bank and making payment on behalf of the University by means of cheques on the National Bank and suggested that the claims of firms for large amounts should be paid by his office direct to the firms on bills countersigned by me; and in paragraph 2 of his letter to you, dated the 9th January 1902, No. 10098, he noted that the practice had been discontinued and that I maintained a permanent advance of Rs. 300 to meet petty expenses and recouped it by presenting contingent bills.

3. I have the honour to point out that the method which the Accountant-General suggested cannot now be carried out, for he is now unable to make payments direct to firms on bills countersigned by me or even to the National Bank to recoup the permanent advance which is lodged with that Bank, in consequence of a recent ruling of the Government of India that a "contingent bill should never be used for making payment on behalf of the drawing officer".

4. This ruling was not communicated to me and without giving me notice of it the Accountant-General returned unpaid the following contingent bills which I had endorsed to the persons mentioned:—

(1) Bill, dated 22nd October, for Rs. 915 in favour of the Revenue Officer, Municipal Commission, Madras.

(2) Bill, dated 22nd October, for Rs. 320 in favour of Messrs. Beardsell & Co., Madras.

(3) Bill, dated 22nd October, for Rs. 325-3-5 in favour of the Superintendent of Stationery.

(4) Bill, dated 3rd November, for Rs. 266-10-6 in favour of the National Bank.

5. Further, when I issue a contingent bill the Accountant-General issues a cheque in favour of myself. If that cheque is for a single sum payable to one person, I can endorse the cheque to the person, who will then hand it to his banker for collection. This is not a very convenient method of making payments; but a greater source of inconvenience is when the Accountant-General issues one cheque for two or more contingent bills as he did on three occasions recently, or when one contingent bill may be for sums payable to several persons. On such occasions it is necessary for me either to get the whole of the money from the Bank of Madras and to carry that large sum about in order to make payments to the recipients, or to adopt the course to which the Accountant-General took objection in 1901 and to send his cheque to the National Bank for collection, and myself to issue my own cheques on the National Bank in favour of the persons concerned for the amounts payable to them.

6. I wrote to the Accountant-General enquiring whether the former practice should be reverted to of getting large sums from him and depositing them in the National Bank and issuing cheques on that Bank for sums payable by the University, or whether he had any course to suggest in the circumstances.

7. The Accountant-General in reply stated that there was no objection to issuing cheques in the name of the parties to whom payment must be made, but that the cheques could be handed over only to my messenger and any actual payment must be made by me; and further that in a case where the total amount of a bill was payable to a single person the cheque would be issued in my name and I could easily endorse it in favour of anybody I pleased.

8. The Finance Committee of the Syndicate, having considered my letter on the subject to the Accountant-General and his reply thereto, was of opinion that the method suggested by the Accountant-General was not satisfactory, and recommended the Syndicate to increase my permanent advance to Rs. 5,000. The Committee further recommended that I should continue to keep the permanent advance in bank in the name of the University and should make payments on behalf of the University by issuing cheques on that account, that I should continue to submit my accounts to the Syndicate through the Committee at the monthly meetings of the Syndicate and that when those accounts were passed by the Syndicate, authority should be given to replenish the permanent advance by drawing from the Accountant-General the amount paid during the previous month. The Syndicate at its meeting held on the 26th January last approved of the recommendations of the Finance Committee, and directed me to ask the Accountant-General's opinion thereon. That officer, on reference, replied that he had no objection to the proposal made by the Finance Committee and approved by the Syndicate to increase my permanent advance to Rs. 5,000, but suggested that, as the University banks with the Bank of Madras in whose accounts as rendered to his office its receipts and charges are incorporated, a separate account relating to the permanent advance should be opened in that Bank instead of the National Bank as at present. The Syndicate has agreed to adopt this suggestion, and I am now directed to request that Government will be so good as to sanction the increasing of my permanent advance to Rs. 5,000. The favour of very early orders on the subject is requested.

ORDER—No. 343, Educational, dated 6th June 1904.

The proposal to raise the amount of the permanent advance with the Registrar, Madras University, from Rs. 300 to Rs. 5,000 is sanctioned, subject to the following conditions:—

- (a) The advance should be kept with the Bank of Madras,
- (b) The banking account and permanent advance are to be used solely for contingent expenditure, all other expenditure being disbursed in accordance with existing arrangements,
- (c) The recoupment of the permanent advance should take place at least once a month, so that on the last day of each month the full amount of the permanent advance may be in hand.

(True Extract.)

H. D. TAYLOR,
Ag. Secretary to Government.

To the Registrar, Madras University.
" Accountant-General.

Exd. V. A. Rajavelu.

EDUCATIONAL DEPARTMENT.

NOTES CONNECTED WITH G.O., No. 343, EDUCATIONAL, DATED
6TH JUNE 1904.

[SUBJECT.—*Permanent Advance of the Office of the Registrar, Madras University.*]

From the Registrar, Madras University, No. 1307, dated 14th April 1904.

The Syndicate requests sanction for raising the permanent advance of the Registrar's office from Rs. 300 to Rs. 5,000. It wants this amount to be withdrawn from the balance of the University Fee Fund with the Accountant-General and to be placed in the Bank of Madras at the disposal of the Registrar for the purpose of meeting payments due by the University.

2. The Registrar says that the Accountant-General has no objection to the proposal but has suggested that the separate account relating to the advance should be opened with the Bank of Madras instead of with the National Bank as hitherto. The Syndicate accepts this suggestion.

3. It is submitted that the proposal offends against the general principle that no money should be withdrawn from the treasury until it is required for immediate payment. The only exception allowed is in regard to small advances for meeting small payments. It seems therefore that for all large payments separate bills should be prepared and cheques obtained from the Accountant-General either in the name of the Registrar who can endorse them over to the parties or in the name of the parties themselves. This was the course originally suggested by the Accountant-General—*vide* paragraph 6 of the Registrar's letter—but the Finance Committee of the Syndicate considered that the method was not satisfactory. The Committee has however assigned no reason for considering it unsatisfactory.

4. Submitted that the Syndicate may be informed that, in the opinion of Government, the course suggested by the Accountant-General and referred to in paragraph 6 of the Registrar's letter is preferable to that now proposed and for which sanction is sought. Under section 15 of the University Act, 1857, the Syndicate has to follow the directions of Government in account matters.

P. T. THARYAN—16-4-04.

The Registrar gives the reason in paragraph 4. But I don't see why it is more inconvenient to endorse a cheque than a bill or that there is any inconvenience whatever in endorsing a cheque. Further I don't see why the Accountant-General should wish to issue one cheque for two or more contingent bills if the Registrar would rather have as many cheques as there are bills. Further I don't see why the Registrar should ever have to carry large sums of money about. Big payments to a single person can be entered in one bill; small payments to several people can be paid out of the existing permanent advance.

2. The Registrar has not forwarded his correspondence with the Accountant-General which might have thrown some light on these points.

A. GALLETTI—22-4-04.

To the Accountant-General for favour of remarks.

When a contingent bill is paid by my office the cheque in payment of it has to go back to the Registrar for endorsement in favour of the person or firm whose account is to be settled. When the cheque is received by the Registrar for endorse-

This applies to all payees and contractors in all departments. The parties can arrange to send their messengers or a list of cheques ready for issue may be posted in the office for general intimation. I do not see why any exception should be made in favour of the Syndicate.

H. D. TAYLOR—6-5-04.

this would be avoided had the Registrar power to issue a cheque in payment of a bill on its presentation. The question is not so much whether the inconvenience is sufficiently great to require such a change as that proposed, but whether there are any sufficient reasons to veto a proposal made by the Syndicate of the University.

2. In Calcutta I believe the University does not bank with a Government treasury but has a separate account with the Presidency Bank, and there is no audit objection to such an arrangement. The funds of the University are not Government funds. It was for this reason that I informed the Registrar that I saw no objection to a reversion to the system that was in force in 1901, but suggested that the permanent advance should be kept with the Bank of Madras rather than with the National Bank. The arrangement, however, requires the approval of Government, and when the Registrar applied to me for the payment of the sum necessary to bring his permanent advance up to Rs. 5,000 he was requested to obtain the sanction of Government. This appears to be necessary under section 15 of the Madras University Act XXVII of 1857.

3. If the proposal is approved it will perhaps be as well to provide in the sanctioning order that the Banking account and permanent advance are to be used for no other purpose than for contingent expenditure, all other expenditure being disbursed in accordance with existing arrangements; and that the recoupment of the permanent advance must take place at least once a month, so that on the last day of each month the full amount of the permanent advance may be in hand.

W. DOBBIE—4-5-04.

The proposal is to increase the permanent advance of the office of the Registrar of the Madras University from Rs. 300 to Rs. 5,000, a separate banking account for the latter being kept with the Bank of Madras and drawn on by the Registrar.

2. The object, as stated by the Syndicate, is to prevent delay in payment of sums to payees of large amounts.

3. The present practice is for the bills, after payment or check by the Registrar to be sent to the Accountant-General for issue of cheque. It is urged that the latter sometimes includes 3 or 4 items in one cheque, which cannot therefore be endorsed to the payees direct. This could be easily avoided if the Accountant-General were asked to issue separate cheques in favour of the Registrar, in all cases of individual payments of Rs. 200 or upwards. The payees in the matter of the latter sums would be in a no worse condition than ordinary persons dealing with Government in the way of contract or supply—and they would have to wait at the most for three days for payment. Were the Syndicate a purely Government department the proposal would certainly be liable to summary rejection. The funds are not however Government funds, all that is required of the Syndicate being the annual submission to Government for audit, of detailed statement of income and expenditure—though Government has the right of “regulation” (Madras Act XXVII of 1857, section 15). The Accountant-General states that no valid audit objection exists to compliance with the proposals of the Syndicate, but I do not consider that the reasons adduced are in any way convincing, especially if the Accountant-General issues separate cheques for all large transactions.

H. D. TAYLOR—6-5-04.

There appears no legal objection. Will Financial department kindly say if they see any objection?

G. S. F[ORBES]—6-5-04.

To the Financial Department.

H.D.T.—7-5-04.

FINANCIAL DEPARTMENT.

The Accountant-General points out that the question is not so much whether the inconvenience is sufficiently great to require such a change as that proposed, but whether there are any sufficient reasons to veto a proposal made by the Syndicate of the University; that in Calcutta the University does not bank with a Government treasury but has a separate account with the Presidency Bank and that there is no audit objection to such an arrangement, the funds of the University not being Government funds. The Accountant-General would on these grounds raise no valid objection to the proposal to allow the University to maintain a reserve of Rs. 5,000 in the Bank of Madras from its own funds from which it can draw at will at all times, to meet its contingent expenses.

F. A. D'CRUZ—16-5-04.

The Educational Department find no legal objections to the proposal and it is for that department to say whether it is desirable on general grounds to overrule the Syndicate of the University in this matter; but on financial grounds the proposal appears to be objectionable and we may, it is submitted, endorse the remarks in the Secretary's note, dated 6th May 1904. The extent of the inconvenience of the present practice is summarized by the Accountant-General at A in his note, dated 4th May 1904, but this inconvenience, such as it is, is the same with every disbursing officer. The account principle as regards permanent advances is that they “should not be larger than is absolutely necessary”—rule 1 under article 77 of the Civil

	RS.
Accountant-General Presidency Audit department	2,000
Commissioner of Police and Government Workhouse	1,400

Account Code. The list of permanent advances of Government officers is given in appendix G (pages 281 *et. seq.*) of the “Madras Treasury Manual” and it will be seen that in only two cases does the amount exceed Rs. 1,000.

C. M. SCHMIDT—19-5-04.

The moneys are not Government moneys and as long as the supervision and audit by the University authorities is sufficient, I can see no objection to the proposed arrangements and as the Accountant-General does not object, I would sanction the arrangement subject to the condition laid down by the Accountant-General on page 2.

M. HAMMICK—23-5-04.

To the Educational Department.

EDUCATIONAL DEPARTMENT.

The Registrar may be informed accordingly.

H. D. TAYLOR—23-5-04.

G. S. F[ORBES]—24-5-04.

Please draft and send to Financial for acceptance.

H.D.T.—25-5-04.

A draft is submitted below which, if approved, may issue with the concurrence of the Financial Department.

RAMAN UNNI NAYAR—25-5-04.

Will not the second condition in the draft, if enforced, leave things pretty much where they are? The Syndicate wants all payments due by the University to be met from the permanent advance of Rs. 5,000.

P. T. THARYAN—25-5-04.

For the usual heads of the Syndicate's expenditure, see page 3 of G.O., No. 23, dated 15th January 1902. Items 12, 14, 15, 16, 17 are of course contingent charges; items 8, 13, 18 certainly are not. Items 9, 10 are, I suppose, not contingent charges if the examiners and superintendents are officials, as the payments made would then be additions to salary within the meaning of article 98 (a), Civil Account Code, volume I. The biggest item of all is 9, Fees to Examiners. The Registrar no doubt wants to pay these by cheque on his bank. The question is hardly one of Civil Account Rules as the University funds are not Government funds, but of expediency, i.e., is the Registrar to be trusted? The proposed condition comes to this: the Accountant-General is to exercise control over the Registrar in respect of disbursements of (1) salaries, (2) of additions to salary in the shape of fees, (3) expenditure by the Public Works Department, (4) audit fees credited to Government. Perhaps the condition might be limited to (1) and (3) and the Registrar be allowed to pay examination fees and remuneration to Superintendents of examinations even when they or it are additions to salaries of Government officials by cheque on his bank.

A. GALLETT—26-5-04.

The proposals of the Accountant-General on page 2 of the notes have been accepted by Financial, and I consider that the draft may issue on those lines even though these limitations rather restrict the power of the Registrar to make direct payments to parties by means of cheque. He may probably do so, but it will be left to the Accountant-General to point out the impropriety of any specific payment. It would be difficult to prescribe a list of what are and what are not to be considered a contingent item. I should not make any specific exception in favour of examiner's fees. How is income-tax at present recovered from Government officers in receipt of such fees? Does the Accountant-General deduct it from the bills? If so, it is undesirable to leave such payments to the Registrar direct.

The order may, I consider, issue in the general terms proposed by the Accountant-General.

H. D. TAYLOR—26-5-04.

To the Financial Department for acceptance.

FINANCIAL DEPARTMENT.

All contingent charges are classified under two group heads, viz., *Supplies and Services* and *Contingencies*. The former head includes contingent charges more or less peculiar to the departments in which they are incurred and is more appropriately termed *special departmental charges*. All other contingent charges fall under *Contingencies*. Referring to the items of expenditure given on page 3 of G.O., No. 23, Educational, dated 15th January 1902, the only items which cannot be regarded as expenditure of a contingent nature are—

8. Pay of the Registrar and his establishment.
11. Refunds of fees to candidates.
13. Repairs to the Senate House by the Public Works Department.
19. Cost of Government securities purchased.

The other items would seem to fall either under *Supplies and Services* or *Contingencies*—vide for instance similar charges on page 183 of Civil Budget Estimate under 26. SCIENTIFIC, ETC., DEPARTMENTS—EXAMINATIONS—Government Examinations.

2. With reference to the remark at B on page 3, it is submitted that items 9 and 10 cannot be regarded as additions to salaries within the meaning of article 98 (a), Civil Account Code, where the examiners and superintendents are officials as the fees and remunerations are paid from other than Government funds.

3. As to the recovery of income-tax from Government officers in receipt of such payments referred to at C *supra*, it is understood that the Accountant-General notifies such payments to the Collector who recovers the income-tax from the officers concerned. Even if the Registrar makes these payments from the permanent advance they will have to be accounted for at least once a month according to condition 3 of the draft order, so that the payments will not escape the Accountant-General.

4. It is submitted that there is no objection to the draft being accepted in Financial.

F. A. D'CRUZ—30-5-04.

The draft may be accepted.

C. M. SCHMIDT—1-6-04.

Accepted.

M. HAMMICK—3-6-04.

To the Educational Department.

EDUCATIONAL DEPARTMENT.

The draft may issue.

H.D.T.—4-6-04.

[G.O., No. 343, Educational, dated 6th June 1904.]

W
Educational (1904) Department.

CURRENT No. 701

From

[Name]

[Designation]

[Station]

The Registrar of the Madras
Universities
Madras

No.

Dated

Enclosures

1307.

14.4.

1904

Received

15.4.

1904

Registered

20

190

SUBJECT.

Requesting sanction for the raising of the
permanent advance from Rs 300 to Rs 5,000.

BACK PAPERS.

23-15-1-02 SC
194-4-4-01 SC

FURTHER PAPERS.

24/10/14

428

C. No. 701, From the Registrar-General, No. 137, dated 14-6-1904.

No. 343, dated 6-6- 1904

The proposal to raise the amount of the P.A. with the Registrar hadra University from R 300 to R 5000 is sanctioned direct to the following conditions

(a) the arrow should be kept into the
Bank of India

6. The Banking Account - permanent
advance are to be used only for
contingent expenditure, all
other expenditure being disbursed
in accordance with existing
arrangements.

(c). The resumption of the P. Advce. should
take place at least once a month.

Deep in the
of their friends
4/5/14

1759
253-02.

to The Registrar, Madras University.
- A.G. (Lto).
Sent 6/6/4.

A = Print in full.
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